GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1464
ANSWERED ON:08.03.2002
VILUNTARY RETIREMENT SCHEME
BHIM PRASAD DAHAL;PRABHAT KUMAR SAMANTARAY;PUTTASWAMY GOWDA;RAM SHAKAL;RENU KUMARI SINGH;S. SAIDUZZAMAN;SEBASTIAN PAUL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have announced a voluntary retirement scheme for its employees who were rendered surplus:

(b) if so; the details thereof;

(c) whether the Government have identified the employees to be covered under the scheme;

(d) if so, the details thereof Ministry/Department-wise;

(e) if not, the reasons therefor; and

(f) the time by which it is likely to come into force?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PAUL)

(a),(b) and (f) Yes, Sir. A copy of the order issued by Govt. of India on 28.02.2002 regarding Special Voluntary Retirement Scheme (VRS) for Surplus Central Govt. Employees is enclosed as statement.

(c) to (e) The information is not maintained centrally. Identification of surplus employees for the purpose of VRS is to be done by the individual Ministries/Departments as per the prescribed procedure. Inorder to facilitate the maintenance of a close watch on the implementation of the Scheme, all Ministries/Departments have been instructed to submitquarterly returns to the Surplus Cell of Department of Personnel & Training.

Statement

No. 25013/6/2001 -Estt.(A)

Government of India

Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training

New Delhi, the 28th February, 2002 OFFICE MEMORANDUM

Sub: Special Voluntary Retirement Scheme for Surplus Central Government Employees.

The Expenditure Reforms Commission (ERC) set up by the Governmentof India has suggested a liberal Voluntary Retirement Scheme (VRS) for the employees declared surplus. This recommendation, contained in Commission`s second Report on `Optimising Government`s Staff Strength â€" Some General Issues` has been considered carefully andthe Central Government have decided to introduce a special Voluntary Retirement Scheme (VRS) as per details given in para 2 hereinunderfor the permanent employees declared surplus in any Ministry/Department as a consequence of one or more of the following:-

(i) Implementation of decisions of the Cabinet regarding restructuring of Ministries/Departments;
(ii) Implementation of the recommendations of the Expenditure Reforms Commission;
(iii) Implementation of the decision of a Ministry/ Departmentrelating to downsizing/rightsizing including, inter alia, restructuring of an organization, transfer of an activity to a State Government, Public Sector Undertaking or other Autonomous Organisation discontinuation of an ongoing activity and introduction of changes in technology; or
(iv) Implementation of work study reports undertaken by the Staff InspectionUnit of the Ministry of Finance or any other body set up by the Central Government or the Ministry/Department concerned.

2. The features of the Special VRS for the employees declared surplus are as under: -

(a) All permanent employees rendered surplus irrespective of their age and qualifying service can opt for the scheme.

(b) An optee of Special VRS will be entitled to receive an ex-gratia amount equal to basic pay plus dearness allowance of the number of days worked out on the basis of length of service @ 35 days for each completed year and 25 days for each remaining year. For any part of year, the number of days, for ex-gratia amount, will be worked out on the basis of 365 days in a year. The ex-gratia amount will be further subject to the following conditions:

(i) total number of years to be counted for payment of ex-gratia will not exceed 33 years;
(ii) No weightage of additional service will be given for the purpose of calculation of ex-gratia;
(iii) The ex-gratia will be subject to a minimum of Rs. 25,000/- or 250 days emoluments, whichever is higher;
(iv) The ex-gratia amount should not exceed the sum of the basic pay plus DA that the employees would draw at the prevailing level for the balance of the period of service left before supperannuation;
(v) The ex-gratia amount will be paid in lump-sum;
(vi) The ex-gratia amount up to Rs. 5.00 lakhs will be exempted from Income Tax;

(c) A weightage of five years to the qualifying service shall be given under CCS (Pension) Rules, 1972 to such permanent surpius employees who have rendered a minimum of 15 years of qualifying service on the date they are declared surplus. However, as provided in rule 29 of CCS (Pension) Rules, 1972, the qualifying length of service after taking into account the aforesaid weightage should not be more than the service he would have rendered had he retired on the date of his superannuation.

(d) Encashment of Earned Leave accumulated on the date of relief as per CCS (Leave) Rules, 1972;

(e) Payment of savings element with interest in the Central Government Employees Group Insurance Scheme as per rules;

(f) TA/DA as on retirement for self and family for settling anywhere in India as per Travelling Allowance Rules;

(g) Group `A` officials opting for the special VRS will beexempted from the operation of rule 10 of the CSS (Pension) Rules which stipulates previous sanction of the Government for accepting commercial employment.

3. Payment of ex-gratia to the employees declared surplus and opting for the special VRS within the specified three months period will be over and above the normal retirement entitlements under CCS (Pension) Rules, 1972,

4. The order of voluntary retirement in each case should clearly stipulate that the surplus post held by the retiring incumbent will stand abolished from the date of his/her voluntary retirement.

5. The identification of surplus employees for the purpose of VRS wouldbe guided by procedure given in Item 3 of Annexure-Iunder the heading `Steps for identification of Surplus staff` to the revised schemeof the disposal of personnel rendered surplus due to reduction - of establishment in Central Government Department/Offices notified atCircular No. 1/18/88-CS-lll of DoPT dated 1st April, 1989.

6. The permanent employees declared surplus will have to exercise option for special VRS within three monthsfrom the date he or she has been declared surplus in any Ministry/Department. Surplus employees presentlyon the Rolls of the Surplus Cell (Redesignated as the Division of Retraining and Redeployment) of the Department of Personnel & Trainingas on the date of this OM can also opt for special VRS within three months from this date.

7. In order to facilitate the maintenance of a close watch on the implementation of the scheme, all Ministries/ Departments are required to submit quarterly returns to the Surplus Cell of Department of Personnel & Training that may be prescribed by that Cell.

8. Ministry of Finance, etc. are requested to give wide publicity to the contents of this O.M. to the employees declared surplus.

Sd/-

(Smt. Pratibha Mohan)
Director (E-ll)
Tel.: 301 3180

To

All Ministries/Departments (As per standard list).